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SUBJECT: THE FIFTH ASIAN SENIOR-TALKS ON NONPROLIFERATION  
(ASTOP V) MEETING, APRIL 25, 2008

Sensitive but unclassified; protect accordingly.

¶1. (SBU) SUMMARY: ISN Deputy Assistant Secretary Mary Alice Hayward and ISN Counterproliferation Director Tony Foley represented the U.S. at the fifth Asian Senior-Level Talks on Nonproliferation (ASTOP V) in Tokyo April 25, 2008. Recent news on North Korea's proliferation activities conducted with Syria, and reports of difficulty implementing the IAEA Additional Protocol (AP) and United Security Council Resolutions (UNSCRs) concerning North Korea and Iran garnered the most interest. The agenda also included the Proliferation Security Initiative (PSI), strengthening export controls, and regional concerns. Japan introduced its "Nuclear Power Infrastructure Initiative," for enhancing nuclear nonproliferation safeguards, safety, and security in the midst of the nuclear renaissance. Senior-level government officials in charge of nonproliferation policies from Association of Southeast Asian Nations (ASEAN) countries (Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Burma, Philippines, Singapore, Thailand, Vietnam), plus Australia, China, Republic of Korea, the U.S., Canada, New Zealand, and host country Japan participated in the meeting. END SUMMARY.

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OPENING SESSION  
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¶2. (SBU) Senior Vice Minister for Foreign Affairs Hitoshi Kimura expressed hope states could act in concert and take swift and firm measures to tackle the issues related to strengthening nonproliferation in the Asian region, namely the North Korean and Iranian proliferation threats. In his opening remarks, Kimura also highlighted nonproliferation as a main agenda item at the upcoming G8 Summit chaired by the Government of Japan (GOJ). Therefore, the results of the ASTOP Talks will not go unnoticed, Kimura stated, but will be reflected in the G8 process. Japanese Ministry of Foreign Affairs (MOFA) Disarmament, Non-Proliferation, and Science Director-General Takeshi Nakane echoed Kimura's sentiment and emphasized the need for all countries to implement UNSCRs concerning North Korea and Iran. Nakane strongly believed the recent discovery of North Korea's secret work on a nuclear reactor in cooperation with Syria, and Iran's failure to declare its nuclear activities under IAEA safeguards not only put peace and stability in jeopardy in Asia, but threatens the entire world. In Nakane's final remarks, he urged all states to sign the Comprehensive Nuclear-Test Ban Treaty (CTBT).

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NEW INITIATIVE PROMOTING PEACEFUL USES OF NUCLEAR ENERGY  
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¶3. (SBU) After the opening remarks, the conference took up the first agenda item on promotion of the peaceful uses of nuclear energy in a manner ensuring the 3Ss (nuclear nonproliferation/safeguards, safety and security). MOFA International Nuclear Energy Cooperation Director Yasuyoshi Komizo gave an extensive presentation on Japan's "Nuclear

Power Infrastructure Initiative," which he said Japan would like to launch at this year's G8 Summit. Komizo said a growing number of countries worldwide are considering embarking on nuclear power programs -- a trend known as the "Nuclear Renaissance" -- as a means of addressing climate change and energy security. The Japanese side noted the IAEA designed 19 important milestones in an effort to deal with the trend. Due to its dual nature, certain nuclear technology can be misused for non-peaceful purposes. Furthermore, should nuclear accidents occur, they would have serious consequences not only for the country where the nuclear power plant in question is located, but also neighboring countries and the international community as a whole. Considering such concerns, Komizo said primary emphasis should be given to one IAEA milestone, the 3Ss, because it constitutes necessary infrastructure for the proper introduction of nuclear power. Komizo noted the IAEA was consulted in developing the initiative and will continue to play a key role in the implementation phase if the initiative is adopted at the Summit.

14. (SBU) In response to the GOJ presentation, the Republic of Korea official commented the ROK is the sixth largest producer of nuclear power in the world and his government agrees with the GOJ on the effectiveness of ensuring the 3Ss. The Korean representative pointed out two challenges -- safe disposal of spent fuel and rising uranium costs -- as impediments to the initiative and the nuclear renaissance. The New Zealand representative said her country opposes nuclear power. However, it strongly supports the 3Ss initiative because of New Zealand's concern about the transshipment of nuclear waste materials in the Pacific. Singapore welcomed the initiative, also recognizing the

growing interest in acquiring nuclear energy. The official said his government looks forward to sharing information about the 3Ss initiative with the recently formed ASEAN Nuclear Energy Safety Sub-Sector Network Working Group. That group held its first annual meeting late January in Singapore.

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SIX-PARTY TALKS NEW ACTION PLANS  
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15. (SBU) Moving to regional nonproliferation issues, China's representative presented a paper on the current status of the Six-Party Talks on North Korea. He stated with China's active mediation and the concerted efforts of all other parties, the Six Party Talks yielded significant fruits since the 2005 Joint Statement. Two action plans to denuclearize were released on February 13 and October 3, 2007. China's official reported the Initial-Phase Actions for the implementation of the 2005 Joint Statement were complete but the Second-Phase is ongoing. He said the Second-Phase Actions were delayed because of some differences between the U.S. and North Korea over the declaration issue. The representative asserted China has been actively working with both parties, placing emphasis on promoting useful consultations and coordination in resolving differences. As a result, the disablement of nuclear facilities and the provision of energy assistance to North Korea are well underway. China is optimistic the Second-Phase Actions will conclude at an early date.

16. (SBU) In response, DAS Hayward said the Second-Phase Actions experienced delay because North Korea failed to submit its declaration due December 31, 2007. Hayward emphasized the U.S. will continue to urge North Korea to provide a complete and correct declaration in order to proceed to the Third Phase. She noted the United States is overseeing the disablement activities at the three core facilities at Yongbyon and providing initial funding for the work at the request of the other Parties. Turning attention to a related issue, Hayward briefed the participants using points drawn from the White House press statement that announced recently released intelligence indicating North Korea's cooperation with Syria in developing a covert nuclear

reactor. The Chair greatly appreciated the U.S. updates on the North Korea-Syria nuclear cooperation and took the opportunity to underscore the importance of North Korea providing the declaration without further delay. Australia's representative said such actions are "extremely disturbing" and completely undermine the Nuclear Nonproliferation Treaty (NPT). She further said, the Six Party Talks should continue vigorously in light of the recent discovery and Syria should promptly provide access to IAEA inspectors and swiftly ratify the Additional Protocol. The ROK official added resolution of nuclear issues is important. The official expressed hope North Korea would abandon its nuclear program, and during the negotiation period, Korea would remain flexible in its approach. Canada, like other countries, attached great importance to a diplomatic approach, therefore called for full implementation of UNSCRs concerning North Korea. The Canadian representative said GOC would continue to lend support to the Six Party Talks, which is a wise process because it offers the best process to seek an acceptable outcome for all parties. The Six Party Talks can effectively demonstrate to North Korea it has little chance but to concede to the will of the international community. Canada's representative, in his final remarks, expressed hope the Six Party Talks would move forward and not suffer a major set-back from the recent findings.

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IRAN  
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17. (SBU) DAS Hayward presented recent developments regarding Iran's nuclear program, emphasizing Iran has continued to develop its fissile material production capabilities despite the strong concerns registered by the international community, including through sanctions imposed by the UNSCRs 1737, 1747 and 1803. DAS Hayward, highlighting Iran's show of defiance, explained Iran had expanded its centrifuge capacity by installing 3,000 machines at the Fuel Enrichment Plant at Natanz and announced plans to double the quantity by the end of the year. Furthermore, Iran is testing IR-2 centrifuges and continuing to construct the Arak Heavy Water Research Reactor. In response to Iran's unconstructive posture, DAS Hayward noted the U.S. and broader P5 1 are pursuing a dual track strategy to encourage Iran to suspend its proliferation sensitive nuclear activities and cooperate with the IAEA. DAS Hayward called on all states to continue efforts to implement financial measures because of their effectiveness. As a result of the UNSCR designations and U.S. designations actions under E.O.

13382, more than 40 banks have reduced or cut off dealings with Iran as of mid-2007.

18. (SBU) In response, Malaysia's representative noted his government's most recent efforts in applying UN resolutions concerning Iran. He said the GOM banned Iran from the April 22 Defense Services Asia show for exhibiting missile equipment, which violates UN resolutions prohibiting Iranian arms exports. Japan's representative circulated the GOJ's recent press release announcing its implementation of UNSCR 1803 and vowed to take necessary steps to continue to encourage Iran to suspend its nuclear weapons program. Canada's representative noted Iran's proliferation activities are gaining more focused attention as the IAEA submitted 19 reports concerning Iran's nuclear actions. The representative expressed hope Iran would adopt the Additional Protocol and conduct a peaceful nuclear program.

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G8 GLOBAL PARTNERSHIP CURRENT STATUS  
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19. (SBU) Opening the next agenda item, the status of the G8 Global Partnership (GP), MOFA Arms Control and Disarmament Director Yasunari Morino called for continued commitment and close coordination to help close the gaps in the security of weapons of mass destruction (WMD). There are 23 countries involved in the GP, including the European Commission (EU)

with Ukraine joining as a recipient country in 2005. For its part, Japan has been assisting Russia in dismantling decommissioned nuclear submarines. Two submarines have been dismantled and four more are slated to be dismantled. Japan is also talking with Russia about a new effort to construct a long-term storage facility for compartments of the dismantled submarines.

¶10. (SBU) Morino said the partners at the G8 Summit will discuss further steps to strengthen the GP. One focus will be on which projects to prioritize for the destruction of chemical weapons and the dismantlement of nuclear submarines.

Japan underscored the importance of partners strengthening coordination and overcoming challenges, such as site access, involved in project implementation. Another key issue will be possible expansion of the GP to deal with global threats of proliferation and terrorists acquiring WMD capability without undercutting ongoing financial and technical assistance in Russia and Ukraine.

¶11. (SBU) New Zealand's representative highlighted her country's contribution to the GP through using the piggyback method. Because New Zealand is a small economy with limited resources, the representative expressed great appreciation at being able to partner with larger countries and help fund four projects in Russia and Ukraine since 2003. The New Zealand representative further noted it would be difficult to justify to its taxpayers the need to strengthen the borders of another country, therefore channeling money through the piggybacking process allows it to cut back on its efforts for public buy-in. The ROK representative noted his country's involvement in the GP since 2004 and said the Global Partnership Program may eventually have a role in North Korea.

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NONPROLIFERATION EFFORTS IN ASIA  
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¶12. (SBU) Turning to the topic of the universalization of a nonproliferation regime, MOFA Nonproliferation, Science, and Nuclear Energy Director Tomiko Ichikawa noted the previous ASTOP meeting had occurred soon after the adoption of UNSCRs 1718 and 1737 and prior to the adoption of UNSCR 1747 and 1803, highlighting the changing situation and anticipating that many countries were likely experiencing difficulties in AP and UNSCR implementation. As examples of developments since the previous ASTOP meetings, Ichikawa noted, Vietnam signed the AP, Malaysia had ratified the CTBT, and Indonesia had passed legislation to implement the Chemical Weapons Convention.

¶13. (SBU) The Singapore representative pointed out that her government signed the AP in 2005. The GOS, she continued, has taken steps to see the proper administrative and legal measure are in place and is working with the IAEA to study control of nuclear materials. In particular, the Health Authority and the National Environmental Agency have been consolidated to form the Center for Radiological Protection and Nuclear Science. Furthermore, the Radiological Protection Act has been repealed and then re-enacted, in preparation for Singapore's ratification of the AP. Singapore's AP was ratified and came into effect March 31,

¶2008. Thailand's representative stressed that the RTG considered the AP an effective confidence-building measure

and since signing the AP in September 2005, is finalizing the domestic processes necessary to ratify the AP. Vietnam's representative noted that his government is exploring the possibility of ratifying the AP in "due time" and looks forward to its legislators considering approval of the Nuclear Energy Law in the coming year. Vietnam hoping to develop nuclear energy in the future, welcomes cooperation from Japan and other countries.

¶14. (SBU) Burma's representative, noted Burma signed the NPT in 1992, concluded a Safeguards Agreement in 1995, signed the CTBT in 1996, and stated Rangoon attaches paramount

importance to the NPT and to nuclear disarmament, believing the two processes to be inter-related and mutually reinforcing. Thus both areas deserve equal attention. The representative said Burma recognizes the importance of the AP and noted his government started a nuclear research program in May 2007. (Note: The Burmese representative did not mention Russian involvement or cooperation in its recently initiated nuclear research.) He said Burma's Ministry of Science and Technology is responsible for the peaceful use of nuclear energy and is preparing to take appropriate measures to align itself with the "safeguards program of the IAEA." Burma's representative said technical training and assistance would be most helpful in order to sign and implement the AP.

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CANADA'S EFFORTS ON PROLIFERATION FINANCE  
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¶15. (SBU) Turning to member's experiences with proliferation finance (PF), Canada's representative presented on the Financial Action Task Force (FATF) recent efforts. FATF is an inter-governmental body whose purpose is the development and promotion of policies to combat money laundering and terrorist financing. Since 2007, the organization held its first substantive discussion on proliferation finance at the plenary in Strasbourg. To advance initial PF discussions, the development of non-binding guidance on effective UNSCR prohibitions on proliferation financing began at an intercessional meeting in Ottawa.

¶16. (SBU) The Canadian representative summarized FATF guidance on PF in three areas. One area of focus is assisting jurisdictions in implementing targeted financial sanctions contained in UNSCRs relating to WMD proliferation. FATF has also issued guidance on implementing activity-based prohibitions, such as OP6 of UNSCR 1737. This approach is risk-based and intelligence led to identify and enhance scrutiny of high risk customers and their transactions. The last guidance touched upon addressing broad-based measures to combat WMD proliferation finance. The official noted such guidance is a long-term undertaking, and in that regard, Canada and Denmark will co-host brainstorming exercises.

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KOREA'S IMPLEMENTATION OF EXPORT CONTROLS  
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¶17. (SBU) The Korean representative said the Republic of Korea is committed to tightening export controls and is party to four major international export control regimes, the Wassenaar Arrangement (1996), Nuclear Suppliers Group (1995), Australia Group (1996), and the Missile Technology Control Regime (2001). Besides enhancing expertise on export control through international cooperative efforts, the government is also engaging in robust efforts on the domestic front. Government efforts include streamlining systems and organizations, raising public awareness with educational seminars and media advertisements, and lastly, constructing infrastructure to improve convenience for companies via an online strategic trade information system. However, the representative noted the implementation process is not without hurdles. He pointed out transshipment is a challenge. Since 2006-2007, the Republic of Korea noticed a sharp increase in transshipment, especially at Busan Port, which is the world's third largest transshipment port. Currently, the government is looking for new ways to control proliferation activities and perhaps a second line of defense will be required. As a starting point, in April 2007, Korea revised its Foreign Trade Act, legislation used to control transshipment activities. The representative commented the government would continue to develop ways to improve its legal framework for domestic implementation.

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UPDATE ON SINGAPORE'S CONTROL MEASURES  
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¶18. (SBU) The Singapore representative said her government's rationale for establishing an export control system stemmed from security and economic interests. On the

security front, Singapore desires to play an important role in preventing WMD proliferation and constraining illicit transfer of WMD. Regarding its economic interests, Singapore would like to ensure its ports and sea lanes remain secure from WMD because Singapore is heavily dependent on trade and shipping. To tackle growing WMD threats, Singapore is continuously reviewing its control system.

¶19. (SBU) The representative provided updates on Singapore's control measures. In 2006, Singapore announced the decision to expand the Control List in the Strategic Goods Act and the expanded list took effect this year. It has also updated legislation on the Chemical Weapons Prohibition Act, finalized ratification procedures for the AP, and implemented measures for complying with UNSCRs 1540, 1737, 1747, and 1803. The Singapore representative said although the country is involved in ongoing training and capacity building programs, challenges remain. Singapore is small, has limited expertise in controlled items, and lacks adequate resources. The GOS must sort out how to implement a robust system without affecting trade and address industry concerns, such as diversion to less stringent ports.

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AUSTRALIA GROUP EFFORTS ON BIOLOGICAL AND CHEMICAL WEAPONS  
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¶20. (SBU) The Australian Embassy representative highlighted export control efforts made by the Australia Group (AG). The AG is an informal arrangement among 40 countries and the EU, which aims at preventing chemical and biological weapon proliferation through coordinated efforts to strengthen national export controls systems. All states participating in the AG are party to the Chemical Weapons Convention and Biological Weapons Convention and strongly support efforts under those Conventions to rid the world of chemical and biological weapons. The Group meets annually to discuss ways members' national level export licensing measures can collectively be made more effective. The Embassy representative noted at the 2008 AG plenary in Paris 14-18 April 2008, the Group recognized rapid international developments in the field of synthetic biology. The AG members agreed to form a synthetic biology advisory body as a means of ensuring the Group is kept abreast of, and can respond quickly and appropriately to technological developments in this area.

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PRIVATE SECTOR EXPERIENCE ON EXPORT CONTROLS  
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¶21. (SBU) A representative from the Center for Information on Security Trade Control (CISTEC), discussed its experience in helping Japanese companies comply with export control regulations. CISTEC, founded in 1989 is the only non-profit, non-governmental organization in Japan dealing with security export controls. The CISTEC representative noted a number of export control challenges companies face. Therefore, CISTEC offers a myriad of resources to assist companies so regulations are not unintentionally violated. These steps include outreach seminars and consultations, educational videos and books, downloadable information on current topics of interest, and administering certification exams. The representative noted, in the context of UNSCR 1540, Japan imposed new regulations in June 2007 to strengthen the control of transshipment and brokering of WMD related goods. Other international cooperative activities include conducting the Asian Export Control Seminar since 1993, offering training courses for Asian government officials that began in 1999, and organizing industry outreach seminars throughout all of Asia from 2004.

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DOMESTIC IMPLEMENTATION OF UNSCRs, EXPORT CONTROL  
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¶22. (SBU) Japan opened the next agenda item by asking countries to discuss candidly difficulties faced regarding their efforts at implementing the AP and the domestic implementation of the UNSCRs based on a questionnaire circulated beforehand. The purpose of the questionnaire was to address possible ways of cooperation to effectively tackle implementation challenges.

¶23. (SBU) In response, Cambodia's representative said his government actively supports measures preventing WMD by adhering to UNSCR 1540. The Cambodian representative asked for assistance in applying financial measures and requested specific details of Iran's banking system and financial tactics. Brunei noted intentions to become a transshipment hub, so it is increasing training on port enforcement while at the same time remaining committed to implementing the UNSCRs. Burma's representative noted the Burmese government

had submitted a 1540 report and is preparing an update for the 1540 matrix. Burma seeks assistance in training capacity for enforcement activities at ports and capacity for monitoring the movements of designated individuals. Laos' representative stressed total elimination of WMD is the only guarantee to global peace and stability. He noted lack of technical expertise, financial resources, and proper equipment for cargo inspections greatly impedes its ability to fully implement nonproliferation obligations. Vietnam's representative said the FATF recommendations are not applicable to its unique law system. Therefore, it may take months to achieve interagency agreement and requested immediate technical assistance. Noting difficulties in translating requests and reports between Vietnamese and English, the representative requested that the UN Security Council ask more simple questions for reporting requirements or provide model answers. Thailand's representative emphasized his government's commitment to strengthening the nonproliferation regime. In doing so, the RTG requests countries provide the date of birth when attempting to identify targeted individuals. The Thai senior official asserted it is unrealistic to inspect cargoes by Iran Air. Finally, Japan, as G8 President, said it would approach the 1540 Committee to address reporting problems and expressed hope to find ways to simplify the process.

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PSI  
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¶24. (SBU) The ASTOP V representative from New Zealand gave a brief overview of plans for this year's PSI exercise, to be held in mid-September near Auckland. New Zealand is planning a five-day event and will focus on legal issues surrounding interdiction. The scenarios for the event will center on dual-use proliferation items transshipped through New Zealand.

¶25. (SBU) The Australian official discussed a March 2008 PSI exercise conducted with the Philippines and indicated a strong desire for similar training with other countries in the region. The Philippine representative praised the opportunity to participate in the exercise, but noted concerns over interdiction legality as related to Philippine law. The representative added the Philippines expects to ask for more assistance from Australia and Japan to achieve a more complete understanding of the capabilities of PSI.

¶26. (SBU) ISN Director Foley closed the PSI portion of ASTOP with the U.S. views on the recent history of PSI successes, highlighting increasing global understanding of the necessity of the initiative. Foley noted PSI is successfully adapting to changing proliferation practices and added that exercises are an excellent way for countries to gain increased knowledge and build capacity. In response to the Korean representative's questions about actual interdiction successes of PSI, Foley said that while most are

not made public due to their sensitive nature, the seizure of the ship, BBC China, led to discovery of the A.Q. Khan network was a very visible example of what PSI can do. Noting the Chinese representative's concern over the legality of PSI, the Canadian representative rebutted the assertion emphasizing that PSI activities are conducted in accordance with international and national laws. Foley seconded the Canadian representative's intervention and stressed that one of the key tenets of PSI was that interdictions are done where the legal basis is strongest.

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2005 SUA PROTOCOL  
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¶27. (SBU) The Canadian representative highlighted the counterproliferation significance of the UN Convention for the Suppression of Unlawful Acts against Safety of Maritime Navigation (SUA). The SUA Protocol provides the first international treaty framework for combating and prosecuting anyone who uses a ship as a weapon or as a means to carry out a terrorist attack, or who transports terrorists or cargo destined to support WMD programs by ship. Japanese representative Ichikawa, said Japan realizes the Protocol's importance and is working to promptly conclude it, including review of the national legal framework for domestic implementation of SUA's criminal and boarding provisions.

¶28. (SBU) Please contact TOKYO ESToff Ayanna Hobbs at hobbbsa@state.gov for full text versions of the presentations made available.

¶29. This cable was cleared by DAS Hayward subsequent to her return to Washington.

SCHIEFFER